

BEFORE THE OIL CONSERVATION DIVISION
OF THE STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION OF	:	
TXO PRODUCTION CORP. FOR COMPULSORY	:	CASE NO. 8755
POOLING, LEA COUNTY, NEW MEXICO	:	CASE NO. 8783
	:	

M O T I O N

COMES NOW TXO Production Corp., by its attorneys, and moves that Cases 8755 and 8783 be heard by the Commission under Rule 1216. In support hereof, applicant states that such action will facilitate the resolution of the controversy herein, for the reasons set forth in Exhibits "A" and "B" attached.

TXO PRODUCTION CORP.

By: Chad Dickerson
Chad Dickerson

DICKERSON, FISK & VANDIVER
Seventh and Mahone, Suite E
Artesia, New Mexico 88210
(505) 746-9841

Attorneys for Applicant

December 10, 1985

Mr. W. Thomas Kellahin
Kellahin & Kellahin
P. O. Box 2265
Santa Fe, New Mexico 87501

Re: Oil Conservation Division Case #8755
Sprinkle No. 3 Well
Township 18 South, Range 32 East, NMPM
Section 26: SW/4 NW/4
Lea County, New Mexico

Dear Tom:

TXO Production Corp. offers to allow your client to examine and copy all materials furnished to the Oil Conservation Division under your subpoena upon the following conditions:

1. That your client make his election to participate or not on the Sprinkle No. 3 and No. 4 Wells within 30 days hereof.
2. That he agree to not delay, through de novo applications or otherwise, the pending proceedings, if he is furnished all the information subpoenaed.

Please advise prior to December 18, 1985.

Thank you.

Sincerely yours,

DICKERSON, FISK & VANDIVER



Chad Dickerson

CD:pvm

cc: Mr. Jeff Bourgeois
Mr. Mark Tisdale

AFFIDAVIT

STATE OF NEW MEXICO §
 §
COUNTIES OF LEA §
AND SANTA FE

Jeff Bourgeois, whose address is 604 W. Kansas, Midland, Texas 79701, hereinafter referred to as "Affiant", being of lawful age and being duly sworn, upon oath deposes and says that the following statements are based upon Affiant's personal knowledge and are true and correct:

1. I am employed by TXO Production Corp. as a landman with a primary area of responsibility in Lea County, New Mexico.
2. TXO Production Corp. has filed with the Oil Conservation Division applications for compulsory pooling of its Sprinkle Federal Nos. 3 and 4 wells in Case Nos. 8755 and 8783 respectively requesting an order pooling all mineral interests in all formations from 4,825 feet beneath the surface to the base of the Bone Springs Formation in T-18-S, R-32-E, Lea County, New Mexico underlying the Southwest Quarter Northwest Quarter (SW/4NW/4) of Section 26 for the Sprinkle Federal No. 3 well and the Southeast Quarter Northwest Quarter (SE/4NW/4) of Section 26 for the Sprinkle Federal #4 well.
3. Case Nos. 8783 and 8755 are currently pending before the Oil Conservation Division.
4. Joseph S. Sprinkle owns an undivided 31.25% leasehold interest in the Northwest Quarter (NW/4) of Section 26. Sprinkle has made an appearance before the Commission and is opposing the Compulsory Pooling Application of TXO in Case No. 8755.
5. TXO Production Corp.'s interest in the Northwest Quarter (NW/4) of Section 26 is derived pursuant to a Farmout Agreement providing for a 90 day continuous development. Sprinkle was advised of TXO's continuous development obligation by letters dated August 14, 1985 and October 24, 1985. Further, testimony was presented before the Commission in Case No. 8698 concerning TXO's 90 day development obligations.

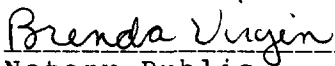
6. On December 2, 1985, Affiant met with Joseph S. Sprinkle in order to attempt to obtain Sprinkle's voluntary joinder in the drilling of TXO Production Corp.'s Sprinkle Federal Nos. 3 and 4 wells.
7. Sprinkle informed Affiant that he was aware of the time constraints placed on TXO Production Corp. by its farm-out obligations in the drilling of the Sprinkle Federal wells, but said this was TXO's problem and would not rush his decision because of TXO's continuous development obligations.
8. Sprinkle stated to Affiant that he was confident that his interest would ultimately be forced pooled by the Oil Conservation Division.
9. Sprinkle also stated to Affiant that it was his strategy to vigorously oppose the Sprinkle Federal #3 compulsory pooling case before the Oil Conservation Division, waiting until the 28th or 29th day after the examiner's order to request a denovo hearing before the Commission. At such time, if it was necessary, Sprinkle stated to Affiant that he would then wait the full time permitted by law to appeal the Commission's ruling to the District Court level.

Further, Affiant says not.



Jeff Bourgeois

Subscribed and sworn to me before this 12th day of December, 1985.



Notary Public
in and for the State of Texas

My Commission Expires:

8-19-89